

Direct Dial: 020-7901-7420

20/06/01

Transco, Shippers and Other Interested Parties

Your Ref:

Our Ref : Net/Cod/Mod/0460

Dear Colleague,

Modification Proposal 0460: Definition of Metering Charges and Meter Reading Charges Statement.

Ofgem has considered the issues raised in modification proposal 0460: 'Definition of Metering Charges and Meter Reading Charges Statement'. Ofgem has decided to direct Transco to implement the modification, because we believe that the proposal will better facilitate the relevant objectives of Transco's Network Code.

In this letter, we explain the background to the modification proposal and give our reasons for making our decision.

Background to the proposal

In January 2001, in order to facilitate competition in metering and meter reading services, the Gas and Electricity Markets Authority modified the Public Gas Transporter (PGT) licence of Transco plc.

Amongst other changes the modification created an obligation on the PGT to set out their metering and meter reading charges in separate statements. Transco's Network Code did not however refer to these statements and was consequently inconsistent with Transco's PGT licence.

The modification proposal

This proposal modifies Transco's Network Code so that it is consistent with the drafting of Transco's PGT licence.

Respondents' views

There were five respondents to this modification proposal. All respondents were supportive of the proposal and no concerns were raised.

Ofgem's view

Ofgem believes that this modification better facilitates the relevant objectives in Standard Condition 7 of Transco's PGT licence. In particular by making the Network Code consistent with the licence it facilitates the efficient discharge of Transco's obligations under its licence.

Ofgem's decision

Ofgem has decided to direct Transco to make this modification.

Impact on Customers

This was a technical modification to bring Transco's Network Code into alignment with its licence. There will therefore be no impact on customers.

If you have any queries in relation to the issues raised in this letter, please feel free to contact me on the above number.

Yours sincerely,

David Howdon
Assistant Economist